



chair **John Chiang**
member **Judy Chu, Ph.D.**
member **Michael C. Genest**

State of California
Franchise Tax Board

02.25.2008

Gina Rodriquez
Spidell Publishing, Inc.

Dear Gina:

As a follow-up to my letter dated December 21, 2007, I want to provide you with an update regarding your Taxpayers' Bill of Rights Hearing proposals.

You expressed a need to change our policy on the timing of issuing *Return Information Notices*. Effective for the 2008 tax year, we agree to implement the change you suggested. The change you proposed would help us to ensure that taxpayers who filed electronically but sent in paper checks to pay their balances due would no longer receive notices that do not reflect their payments. We will implement this change as a pilot project and evaluate the project after two years.

Staff is currently working on the analysis of your proposal to increase the \$200 statutory threshold for assessing the estimated tax penalty. We hope to present the analysis at our next Board meeting, tentatively scheduled for March 6, 2008.

I appreciate your continued input and recommendations to improve tax law and Franchise Tax Board policies.

Sincerely,

Selvi Stanislaus
Executive Officer

cc: Hon. John Chiang, Chair
Hon. Judy Chu, Ph.D., Member
Hon. Michael C. Genest, Member